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IN THIS ISSUE

	<u>Page No.</u>
Market Summary	2
Entries Against Import Quotas	3
Distribution by Primary Distributors	3, 4
Stocks and Distribution, Jan.-Apr. 1948	5
Monthly Distribution 1935-1948	5, 6, 7
"Invisible" Sugar Stocks	8
Stock and Distribution Comparison	8, 9
CCC Purchase of 1948 Crop Sugar	10
Sugar and Food Price Trends	11, 12, 13
Sugar Prices in Two World Wars	14, 15, 17
Sugar Beet Wage Districts	15, 16

These reports, to be issued from time to time, are designed to provide information to the PMA field offices and the sugar trade. They will summarize the statistical releases and actions of the Sugar Branch. In addition, brief summaries will be made of current prices and developments in the sugar market, and occasional presentations will be made of additional data on questions of current interest or problems before the Sugar Branch.

Your suggestions and criticisms will be appreciated. Please address them to the Director, Sugar Branch, Production and Marketing Administration, U.S. Department of Agriculture, Washington 25, D.C.

MARKET SUMMARY

The trend of domestic sugar prices has been downward since mid-January. The declines in basis wholesale prices of refined cane and beet sugar have ranged from 90 cents to \$1.26 per 100 pounds. Prices of refined cane sugar declined 20 to 25 cents and prices of beet sugar fell 20 to 36½ cents between May 13 and May 21. Under the OPA ceiling prices in October 1947 the basis price of refined cane sugar was \$8.40 per 100 pounds, and that of beet sugar was \$8.30 per 100 pounds. These prices remained unchanged until mid-January 1948. On May 21 prices ranged from \$7.40 to \$7.50 per 100 pounds for refined cane sugar and from \$7.035 to \$7.30 per 100 pounds for beet sugar. The duty paid price of raw sugar in New York has ranged from \$5.00 to \$5.15 per 100 pounds during the past two weeks.

The absence of a premium on quota sugar for sale in the United States over sugar for sale in world markets from Cuba has been one of the outstanding features of the raw sugar price situation in recent weeks. In fact, at times the net f.a.s. Cuban price for sugar for shipment to the United States under quota has been less than that for shipment to the world markets. For example, on May 19 the f.a.s. Cuba price of raw sugar for sale to world markets was quoted at \$4.25 per 100 pounds, and the c.i.f. New York price was quoted at \$4.55 per 100 pounds, a difference of only 30 cents per 100 pounds, whereas the cost of shipping sugar from Cuba to New York is around 40 cents per 100 pounds. Normally Cuban sugar for sale in the United States under quotas commands a premium over sugar that can be sold only in foreign markets. The reversal of this normal price situation reflects the low current domestic demand for sugar. Puerto Rican producers who customarily sell a large part of their crops as they are harvested and are not in a position to store sugar are reported to have been major offerers recently. The demand for raw sugar has also been adversely affected in recent weeks by the fact that three East Coast refineries are closed because of labor troubles.

Sugar distribution by primary distributors (refiners, beet processors, and importers of direct consumption sugar) has increased materially above the December low point, but is only slightly above the level that prevailed a year ago when stringent rationing was in effect. Through May 15 distribution this year was 41,000 tons, raw value, above distribution for the corresponding period in 1947. For the week ended May 15, 1948, distribution amounted to approximately 132,000 tons, down 16,000 tons from the previous week but above the 97,000 tons distributed during the corresponding week last year.

Trade sources now indicate that the 1948 Cuban crop may amount to around 6.5 million short tons, raw value, compared with the record 1947 crop of 6.45 million tons. The present quota for importation of Cuban sugar into the United States amounts to 2.9 million tons, and Cuban domestic consumption amounts to slightly over 0.2 million tons annually. In addition, the Commodity Credit Corporation has purchased 1 million tons of 1948 crop Cuban sugar. It is estimated that Cuba has sold around 1.4 million tons for private export to world markets.

According to the Easter estimate of the Puerto Rican Sugar Producers Association, the 1948 Puerto Rican sugar crop will amount to around 1.13 million tons. Production in 1947 amounted to 1.09 million tons. The current quota for shipment of Puerto Rican sugar into the United States amounts to 934,134 tons and the quota for consumption in Puerto Rico amounts to 120,000 tons. Trade sources indicate that the distribution of 1948-crop sugar for local consumption in Puerto Rico has been slow to date because of stocks of 1947-crop sugar on hand at the beginning of the year.

Table 1.

ENTRIES AGAINST IMPORT QUOTAS
January-April, 1948

(Short tons, raw value)			
Country	Quota	Quantity chgd. through April 30	Percent. charged
Hawaii	900,000	203,897	22.7
Puerto Rico	934,134	183,629	20.0
Virgin Islands	6,159	-	-
Cuba	2,943,509	980,323	33.3
Philippines	290,000	58,019	20.0
Other Countries	65,200	27,295	41.9
Total short tons	5,139,002	1,453,163	28.3

Sugar Distribution by Primary Distributors

After rising from 124,661 tons during the week ended May 1 to 148,358 tons during the week of May 8, distribution fell back to 132,470 tons in the week ended May 15. For the year to May 15 sugar distribution totaled 2,136,783 tons compared with 2,095,517 tons during the corresponding period in 1947. Although total distribution for the year to date is now slightly in excess of that for the corresponding period last year, the comparison is misleading unless consideration is given to the fact that distribution was held down by rationing in the first five months of 1947.

Table 2 shows distribution by months from January through April 1948, in comparison with monthly distribution in 1947. It also shows the extent to which the pattern of distribution by months in 1947 deviated from the normal seasonal pattern in response to action taken under the rationing and price control programs. The increased issuance of consumer ration stamps, liberalization of industrial and institutional rations, and finally the ending of consumer rationing on June 12, all combined to cause distribution to reach a peak in June 1947. The ending of all rationing in July, the raising of ceiling prices in August, and high seasonal requirements kept distribution at a high level from July through September. The fear of high prices following sugar price decontrol caused the last 1947 wave of heavy buying in October. The result was a distribution of 7,485,000 tons of sugar by primary distributors in 1947.

An abundance of sugar, freedom of consumers to purchase unlimited quantities, and lower prices have failed so far in 1948 to result in any substantial increase in distribution over that of the control period of 1947, and the prospective effect of decontrol no longer lies ahead. However, household consumption and industrial use of sugar have undoubtedly been higher than distribution by primary distributors in the past few months.

Table 2 Sugar Distribution by Primary Distributors in U. S.
By months 1947 and Jan.-April 1948

<u>Month</u>	<u>1948 (000 short tons, raw value)</u>	<u>1947 (000 short tons, raw value)</u>	<u>1947 Percent of total for year</u>	<u>Normal per- cent of total for ¹/_{year}</u>	<u>Comments con- cerning 1947 distribution</u>
Jan.	337.8	481.4	6.4	6.2	5 lb. consumer stamp issued. Institutional rations issued. Ceiling price raised 20¢ to 8.20 cwt.
Feb.	389.1	301.7	4.0	7.0	
Mar.	565.5	595.5	8.0	8.1	Ceiling price raised to 8.25 cwt. Institutional rations issued.
Apr.	563.5*	496.9	6.6	9.0	10 lb. consumer stamp issued.
May		484.7	6.5	8.3	10 lb. consumer stamp issued May 26. Institutional rations increased 40% and issued.
June		986.4	13.2	8.8	Consumer and institutional user rationing ended June 12. Industrial rations advanced in date and increased. Provisional allowances liberalized.
July		779.0	10.4	9.4	Industrial rationing ended July 28.
Aug.		792.9	10.6	8.7	Ceiling price raised to 8.40 cwt.
Sept.		730.8	9.8	9.7	
Oct.		887.3	11.9	8.3	Price control expired Oct. 31.
Nov.		580.2	7.7	7.7	
Dec.		366.6	4.9	8.8	
Jan.-Dec.		7483.4	100.0	100.0	

* Preliminary
1/ Based on average 1935, 1936, 1938, and 1940.

Distribution and Remaining Stocks of Sugar
by Types of Primary Distributors

Distribution by refiners in the four months January through April was 30,000 tons lower in 1948 than in 1947, whereas that of importers and mainland cane mills, combined, was 31,000 tons higher. Distribution in the same period by beet processors was 84,000 tons less in 1948 than in 1947. In view of the large 1947 crop of sugar beets, and the low distribution of beet sugar, stocks of beet sugar held by processors were 45 percent, or 336,000 tons, larger on May 1, 1948, than on May 1, 1947.

Table 3 Distribution and Stocks of Sugar
 (Short tons, raw value)

Distributed or held by	Distribution Jan.-April		Stocks May 1	
	1948 1/	1947	1948 1/	1947
Refiners	1,417,376	1,447,217	656,508 2/	509,339 2/
Beet processors	297,564	382,078	1,072,981	736,512
Importers	122,178	98,939	76,725	106,918
Mainland cane mills	39,814	32,142	3/	73,430
Total	1,876,932	1,960,376		1,426,199
Deliveries for export	20,977	84,853		
For US consumption 4/	1,855,955	1,875,523		

1/ Preliminary. 2/ Includes both raw and refined sugar. 3/ Data not available.

4/ Includes deliveries for U.S. military forces at home and abroad.

Monthly Sugar Distribution 1935-1948

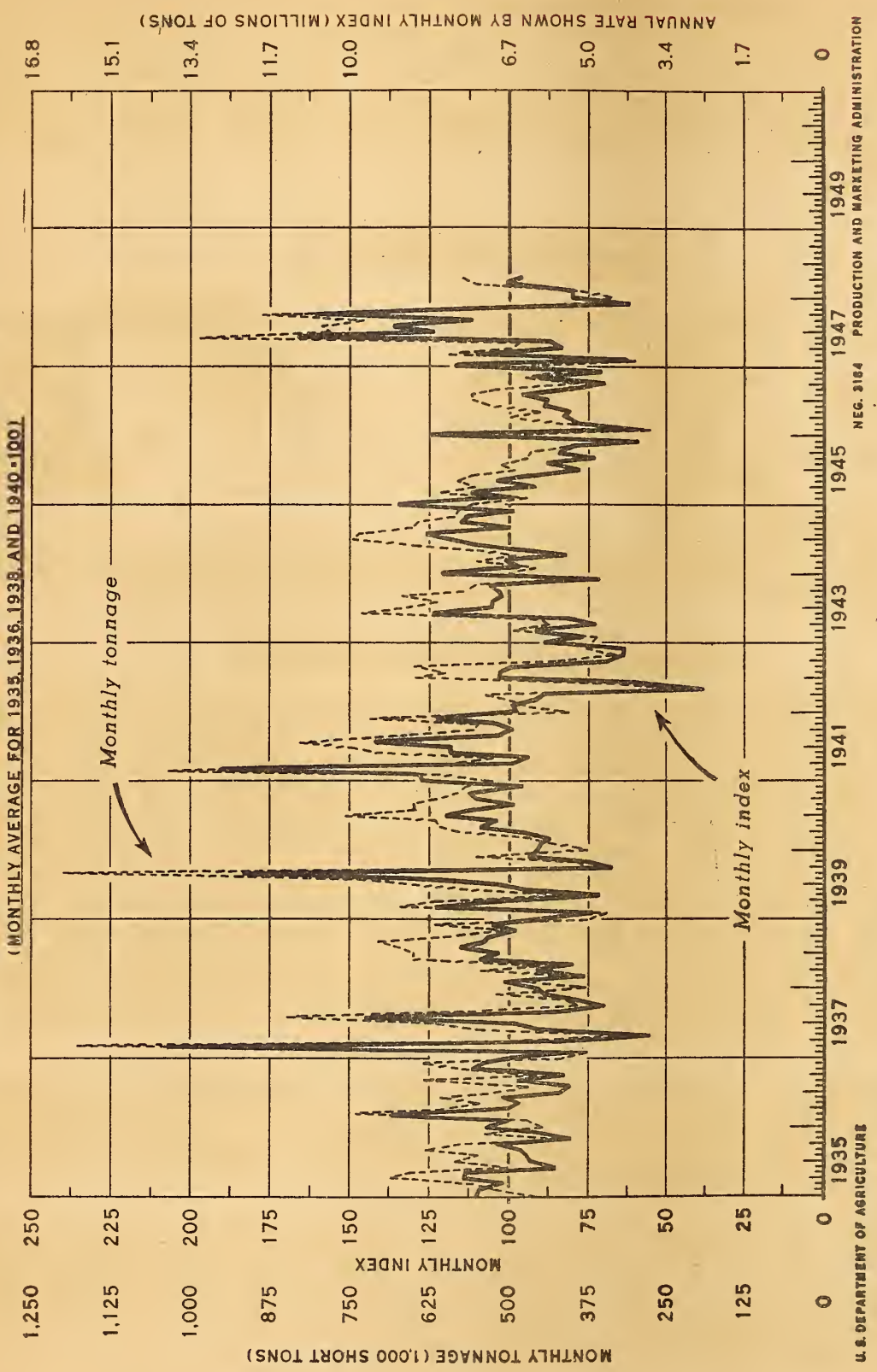
Monthly distribution of sugar by primary distributors fluctuates greatly. This is indicated in Figure I, which shows the actual tonnage distributed each month by a light broken line, and a seasonally adjusted index of distribution in a heavy solid line. The index is designed to eliminate normal variations which result from heavy requirements in some months, as for example the canning season, and low requirements in other months. Normally, sugar distribution is low in the winter period and high in summer and autumn. In the index the average of each month's distribution for the years 1935, 1936, 1938, and 1940 is taken as 100. The years 1937 and 1939 were eliminated from the base period because of the extreme fluctuations caused by anticipation of the excise tax and by the outbreak of war. Yearly distribution in the four base years used averaged 6.7 million tons. Therefore, the seasonally adjusted index shows how distribution for each month compares with a 6.7 million-ton annual rate.

Sugar distribution reached the high peak in 1937 in anticipation of the excise tax. It also reached high peaks in 1939 and 1941 because of the war and anticipation of higher prices. From April 1942 until June 1947 sugar distribution was low because of short supplies and restrictive rationing.

The elimination of rationing controls in June and July of 1947 resulted in high distribution. This lasted through October. At least a part of the high October distribution is said to have resulted from buying in fear of higher prices following price decontrol on October 31. Actually no such rises occurred; thereafter, distribution fell sharply to the December low point.

It is possible that the availability of adequate supplies and the weakness in prices that have existed in recent months are partially responsible for the low distribution. The wide spread between prices of refined cane sugar and the current cost of Cuban and Puerto Rican raw sugar, is frequently cited in trade papers as a reason for the present low distribution.

SUGAR DISTRIBUTION FOR UNITED STATES CONSUMPTION, MONTHLY, 1935 TO DATE
ACTUAL TONNAGE (RAW VALUE), AND SEASONALLY ADJUSTED INDEX
(MONTHLY AVERAGE FOR 1935, 1936, 1938, AND 1940-1947)



Monthly sugar distribution fluctuates greatly. Peak distribution occurred in 1937 in anticipation of the processing tax, in 1939 at the outbreak of war, and in 1941 as prices started to rise. Distribution was held down from 1942 through the first part of 1947 because of short supplies and rationing controls. The elimination of rationing resulted in high distribution during the summer and fall of 1947. Distribution reached a low point in December 1947, and, although it has risen since, it is still comparatively low.

Table 4

SUGAR DISTRIBUTION FOR U. S. CONSUMPTION

MONTHLY, 1935 - APRIL 1948

SHORT TONS (RAW VALUE) AND INDEX NUMBERS (SEASONALLY ADJUSTED)

(Monthly average 1935, 1936, 1938 and 1940 = 100)

	JAN		FEB		MAR		APR		MAY		JUN		: Total
	Tons	Index	Tons	Index	Tons	Index	Tons	Index	Tons	Index	Tons	Index	: for year
1935	457	110	516	109	555	102	684	114	632	113	502	85	: 6,634
1936	445	107	473	100	739	136	599	100	545	97	608	102	: 6,706
1937	414	100	375	79	1178	207	514	86	306	55	543	91	: 6,671
1938	378	91	475	101	411	76	544	91	448	80	649	109	: 6,643
1939	375	91	347	174	668	123	612	102	403	72	557	94	: 6,868
1940	376	91	425	90	471	87	578	96	610	109	617	104	: 6,891
1941	526	127	605	128	1034	190	597	99	524	94	708	119	: 8,069
1942	405	98	469	99	499	92	537	89	214	38	350	59	: 5,466
1943	369	89	363	77	495	91	438	73	447	80	732	123	: 6,335
1944	499	121	459	97	552	101	492	82	547	98	654	110	: 7,147
1945	558	135	473	100	609	112	554	92	583	104	559	94	: 6,040
1946	515	124	276	58	426	78	498	83	452	81	527	89	: 5,621
1947	483	117	299	63	598	110	497	83	485	87	986	166	: 7,485
1948	338	82	389	82	551	101	575*	96*					: Monthly
													: average
	JUL		AUG		SEP		OCT		NOV		DEC		: for year
	Tons	Index	Tons	Index	Tons	Index	Tons	Index	Tons	Index	Tons	Index	
1935	584	93	547	94	629	96	574	103	417	80	537	91	: 553
1936	529	84	470	80	633	97	457	82	575	111	633	108	: 559
1937	618	98	849	145	552	84	392	70	411	79	519	88	: 556
1938	649	103	670	115	706	108	589	106	508	98	616	105	: 554
1939	652	103	733	126	1200	183	381	68	388	75	552	94	: 572
1940	756	120	647	111	648	99	614	110	582	112	567	96	: 574
1941	749	119	827	142	676	103	554	99	548	105	721	123	: 672
1942	647	103	601	103	647	99	386	69	334	64	377	64	: 456
1943	662	105	614	105	666	102	572	103	551	106	426	72	: 528
1944	745	118	737	126	652	100	642	115	587	113	581	99	: 596
1945	493	78	513	88	475	73	467	84	410	79	346	59	: 503
1946	557	88	562	96	521	80	392	70	476	92	419	71	: 468
1947	779	124	793	136	731	112	887	160	580	112	367	62	: 624

SOURCE: All basic data from published records of the Sugar Branch, Production and Marketing Administration

* Preliminary

Invisible Stocks of Sugar

Sugar stocks held by wholesalers, retailers and industrial users (customarily referred to as "invisible" stocks) declined during the first quarter of 1948, according to reports from firms accounting for 48 percent of total distribution during the quarter. For these firms total stocks declined from 266,930 short tons (raw value) on January 1 to 214,474 tons on March 31, 1948. Deliveries in the case of wholesalers and retailers, and usage, in the case of industrial users, amounted to 676,521 tons compared with receipts of 624,065 tons during the first quarter. On March 31, 1948, such stocks appeared to be materially smaller than on corresponding dates in the prewar period.

Stocks reported on March 31 in comparison with those of previous years were as follows:

Year	Number of firms Reporting	Stocks, March 31 (short tons, raw value)	Percentage of deliveries by primary distributors represented by companies reporting
			%
1938	1,297	252,554	42
1939	1,479	337,057	50
1940	1,376	382,091	57
1948	1,464	214,474	48

Stock and Distribution Comparisons

Reports of 380 identical firms that submitted reports on "invisible" stocks during each of the three quarterly periods since July 1947 show significant differences in the changes that have occurred. In these comparisons distribution (for wholesalers and retailers) and use (by industrial users) in the third quarter (July-September) of 1947 was taken as 100 percent. Changes in the fourth quarter (October-December) were not drastic, although industrial use for the 260 firms reporting fell to 88 percent. During the first quarter (January-March) of 1947, however, industrial use had declined to 83 percent, retail distribution (of 52 firms) had fallen to 60 percent and wholesale distribution (of 68 firms) had fallen to 56 percent. The declines in stocks of these firms were approximately the same as the declines in distribution or use in the fourth quarter. In the first quarter of 1948 stocks of industrial users fell more than usage and stocks of wholesalers, as shown for these 68 firms, fell to 42 percent of the stocks held September 30, 1947.

Table 5 Distribution or Use and Stock Comparisons for Identical Firms

	No. of Companies	Distribution or use as a percentage of July-September		Stocks as a percentage of those held Sept. 30		No. of calendar days' supply on hand		
		Oct.-Dec.	Jan.-March	Dec.31	Mar.31	Sept. 30	Dec. 31	Mar. 31
Wholesalers	68	92	56	94	42	17	17	13
Retailers	52	95	60	89	59	12	12	12
Industrial users	260	88	83	88	75	23	23	21
All groups	380	90	72	90	67	19	19	18

Corresponding comparisons for large and small users suggest even greater divergences in trends. Some of the largest firms showed increased usage in both the fourth and first quarters whereas the smallest users showed the most

drastic declines in usage, though smaller industrial users apparently reduced their stocks more in comparison with September 30 stocks than did large users. Because of the sharper falling off in use by the smaller firms, however, their March 31 stocks represented a larger number of days usage than did their September 30 stocks.

Similar comparisons for retailers do not show such marked divergencies although there appears to have been a tendency for both distribution and stocks to be maintained closer to the third quarter levels for medium sized firms than was true for either the largest or smallest retailers. Distribution fell most for the smallest retailers.

Among wholesalers distribution was maintained best by the largest distributors and least by the smallest ones. Somewhat the converse situation prevailed with respect to stocks and some of the very small wholesalers held larger stocks on March 31, 1948, than they had on September 30, 1947.

Although the implications of the apparent shifts in distribution and usage are not entirely clear, it is evident that significant changes are occurring in the avenues through which sugar and sugar products are reaching the ultimate consumer. The data at least suggest that some of the smallest industrial users and distributors may not be holding the relative positions in the sugar trade that they held during the period of control and early decontrol.

A product breakdown of industrial usage by identical firms indicates usage has increased greatly in some industries and fallen sharply in others as compared with the third quarter of 1947. Possibly even more significant, the reports of these 260 firms representing 12 groups of industries, suggest that, on the whole, industrial usage fell off less than normal during the first quarter of 1948. Because of the small number of firms in some of the groupings the trends indicated and the comparisons with the "normal" trends should be taken as suggestive rather than conclusive. (See Table 6)

More adequate information and analyses are needed before either current trends or normal seasonal trends of usage by industries can be established with certainty. Since observations or reports of usage by a few firms are sometimes taken to represent conditions in all segments of the sugar-using industries, however, it is significant that great divergencies were shown in the trends of usage during the past three quarters, that it is not evident as yet that usage in the various industries has either settled back to the old normal seasonal trends or adopted new ones, and that available data, though meager, indicate that in a number of industries usage in the first quarter of 1948 compared favorably with that in the third quarter of 1947 both actually and relatively to a normal seasonal pattern.

Table 6 USAGE OF 260 INDUSTRIAL USERS OF SUGAR - OCT.-DEC. 1947 AND JAN.-MARCH 1948 AS PERCENTAGE OF JULY-SEPTEMBER 1947 1/

Group	Number Companies Reporting	Usage as percentage of July-Sept.		"Normal" Usage as per- centage of July-Sept. 2/	
		Oct.-Dec.	Jan.-Mar.	Oct.-Dec.	Jan.-Mar.
Bakeries	39	126	134	97	93
Baking Mixes	5	146	172	106	99
Ice Cream	3	60	75	50	45
Other Dairy	10	69	64	88	73
Bottlers	40	63	68	67	54
Candy	55	129	124	113	98
Canned Foods	19	26	17	72	61
Pharmaceuticals	12	94	92	123	113
All other Foods	7	97	104	106	102
Non-Food	11	109	106	103	94
James & Jellies	12	137	82	98	112
Multiple Users	46	80	68	87	78
Total	260	88	83	87	78

1/ Companies reporting for all three quarters. 2/ Based on OPA tab. of R-1200

CCC Purchase of 1948 Crop Sugar

Three sugar-purchase contracts have been negotiated in 1948 by the Commodity Credit Corporation. On March 26 a contract was executed for the purchase of approximately 37,000 short tons of 1947-48 crop Peruvian raw sugar. On April 7 the Cuban Sugar Stabilization Institute signed the contract for the sale to the Commodity Credit Corporation of 1,000,000 short tons of 1948-crop Cuban raw sugar. The sugar purchased under these contracts will be used for civilian feeding in occupied areas and other U. S. foreign food programs. All of the Peruvian sugar and 406,000 tons of the Cuban sugar have been shipped or are scheduled for shipment by the end of May to Japan, Germany, Italy and Austria.

The Commodity Credit Corporation has also contracted with the Netherlands Indies Organization for the Marketing of Sugar (NIVAS), and the Netherlands Indies Government, for the purchase of approximately 15,000 long tons of Java direct consumption sugar. This sugar will be used in Japan for United States Army civilian feeding.

Under the contract, the CCC will pay 5.22 cents per English pound of sugar (Head Sugar No. 16 Dutch Standard or higher, polarizing 98.0 degrees or better on delivery) delivered at Kobe, Japan. With polarization expected to average 99.0 degrees or better, this price is comparable to the f.a.s. price of 4 cents per pound, basis 96 degrees raw sugar, paid by CCC for 1,000,000 tons of 1948 crop Cuban sugar. Delivery on the Javan sugar is contemplated for July and August of this year.

The sugar was purchased to meet the pressing food needs in the occupied areas and in other countries receiving assistance from the United States. A large part of the sugar is being consumed in the raw form in the occupied areas.

The need for such sugar is amply demonstrated by the situation in the occupied areas. In the prewar period sugar production in Germany amounted to 2,122,000 tons. Consumption there appears to have been at substantially the same level. The bulk of Germany's sugar was produced in the eastern agricultural part of the country and consumed in the western, more densely populated, area. Production from the 1947 crop of sugar beets for the whole of Germany is now estimated at 880,000 short tons.

Before the war Japan produced 1,367,000 tons of sugar -- 167,000 in Japan proper and 1,202,000 tons in Formosa. (Korea has no indigenous production.) For 1947, production in Japan is estimated at only 20,000 tons. Formosa is now a part of China and production there has recovered to only around 150,000 tons annually.

To state the problem in another way, the combined populations of Japan, the U.S. occupied area of Korea, and the Bi-Zonal area of Germany amount to 141,700,000 or close to the total population of the United States. The total present indigenous sugar production of these combined occupied areas appears to be around 485,000 tons. In contrast, sugar consumption in the United States in 1947 amounted to 7,485,000 tons, or 15 times as much.

Sugar is not merely convenient to distribute and readily acceptable as a food but is also the cheapest available food on a caloric basis. At 4 cents a pound, sugar has a f.a.s. cost of \$2.33 per 100,000 calories. Flour at a cost of \$5.50 per 100 pounds, f.a.s., is equal to \$3.85 per 100,000 calories. Although sugar does not supply the fats, proteins, minerals, and vitamins required for a well-balanced diet, calorie requirements can be supplied at lower cost in the form of sugar than in other foods. Moreover, sugar serves the additional purposes of preserving other foods and making them more palatable, and can be used in distribution programs as an incentive to increase deliveries of other foods.

LONG TIME PRICE TRENDS FOR SUGAR AND ALL FOODS

Sugar prices have been declining in comparison with prices of other foods for many years. (Figure II and Table 7.) Prior to 1890 the relatively high prices for sugar made it a luxury product. Sugar participated very little in the upward price trend that occurred for foods generally as well as many other commodities from 1896 to the outbreak of World War I. During the first world war sugar rose with other food prices until 1920, when premature decontrol resulted in an inflationary boom that carried sugar prices well above 20 cents per pound at the peak reached in May 1920. The bust that followed carried sugar prices back nearly to the prewar level. During the 1930's sugar prices were approximately at the levels prevailing during the 1890's. During the second world war period sugar prices rose less than prices of other foods.

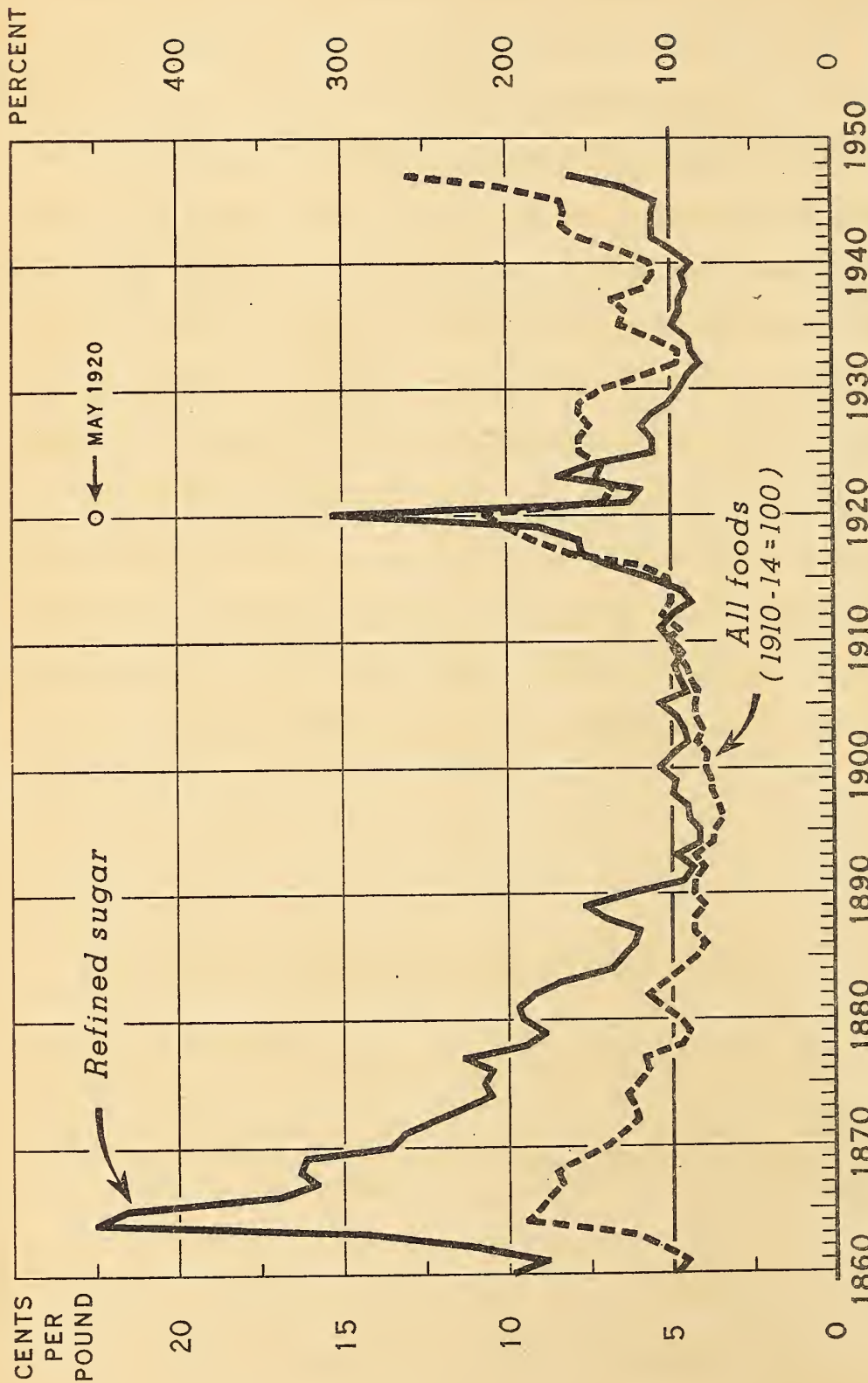
PUBLIC HEARINGS HELD IN FLORIDA AND PUERTO RICO

A wage and price hearing was held in Clewiston, Florida, on May 15 in the High School Auditorium. Witnesses appeared to present evidence on wage rates for persons employed in Florida in the production, cultivation, or harvesting of sugarcane during the period July 1, 1948 to June 30, 1949, and on fair prices for the 1948 crop of sugarcane.

The allotment of the U.S. and Puerto Rican local consumption sugar quotas was the subject of a hearing on May 24, 1948, in the auditorium of the School of Tropical Medicine in San Juan.

Both hearings were held in accordance with the Sugar Act of 1948.

FIGURE II REFINED SUGAR PRICES, AND INDEX OF ALL FOOD PRICES, AT WHOLESALE IN THE UNITED STATES, 1860 TO DATE (CALENDAR YEARS)



U.S. DEPARTMENT OF AGRICULTURE
NEG. 3183 PRODUCTION AND MARKETING ADMINISTRATION

Over a long period of years sugar had tended to become cheaper in comparison with prices of other foods. From the Civil War until the 1890's sugar prices fell more than prices of other foods. During the 1930's sugar prices were at approximately the levels that prevailed during the 1890's, whereas prices of other foods generally were considerably higher. After 1940 sugar prices rose less than prices of other foods. During periods of shortage, however, sugar prices can rise with explosive violence as they did following premature decontrol in 1920.

Table 7

INDEX NUMBERS OF WHOLESALE FOOD PRICES
AND
AVERAGE ANNUAL WHOLESALE REFINED SUGAR PRICES
1860-1947 in United States

Index Numbers 1910-14 = 100

Prices net cash, cents per pound,
New York

YEAR	FOOD INDEX	SUGAR PRICE	:	YEAR	FOOD INDEX	SUGAR PRICE	:	YEAR	FOOD INDEX	SUGAR PRICE
1860	96	9.78	:	1890	86	6.17	:	1920	213	15.55
1861	89	8.75	:	1891	85	4.64	:	1921	140	6.19
1862	107	11.16	:	1892	79	4.35	:	1922	136	5.93
1863	123	14.28	:	1893	85	4.84	:	1923	144	8.41
1864	189	22.56	:	1894	75	4.12	:	1924	141	7.31
1865	180	21.56	:	1895	73	4.15	:	1925	155	5.45
1866	173	16.88	:	1896	68	4.5	:	1926	155	5.46
1867	167	15.78	:	1897	71	4.5	:	1927	150	5.79
1868	171	16.32	:	1898	74	5.0	:	1928	156	5.52
1869	154	16.19	:	1899	74	4.9	:	1929	155	5.03
1870	139	13.53	:	1900	79	5.3	:	1930	141	4.62
1871	130	13.28	:	1901	78	5.0	:	1931	116	4.43
1872	121	12.37	:	1902	83	4.5	:	1932	95	3.99
1873	122	11.34	:	1903	81	4.6	:	1933	94	4.32
1874	126	10.56	:	1904	84	4.8	:	1934	109	4.44x
1875	120	10.72	:	1905	85	5.3	:	1935	130	4.86x
1876	113	10.47	:	1906	83	4.5	:	1936	127	4.69
1877	115	11.31	:	1907	88	4.7	:	1937	133	4.73x
1878	98	9.48	:	1908	91	4.9	:	1938	114	4.48x
1879	90	8.78	:	1909	97	4.8	:	1939	109	4.66x
1880	96	9.60	:	1910	101	5.0	:	1940	111	4.34x
1881	106	9.67	:	1911	96	5.3	:	1941	128	4.92x
1882	114	9.23	:	1912	104	5.0	:	1942	154	5.48x
1883	103	8.51	:	1913	100	4.28	:	1943	165	5.49x
1884	93	6.78	:	1914	100	4.68	:	1944	163	5.46x
1885	84	6.44	:	1915	101	5.56	:	1945	165	5.39x
1886	78	6.12	:	1916	117	6.86	:	1946	203	6.34x
1887	86	6.01	:	1917	162	7.66	:	1947	261*	8.12x
1888	86	7.01	:	1918	185	7.83	:			
1889	79	7.64	:	1919	201	9.00	:			

SOURCES:

Index Numbers; 1860-1932, "Wholesale Prices for 213 years, 1720-1932" by G. F. Warren and F. A. Pearson; 1933-46, Agricultural Statistics 1946; 1947 Preliminary BAE estimate.

Prices:

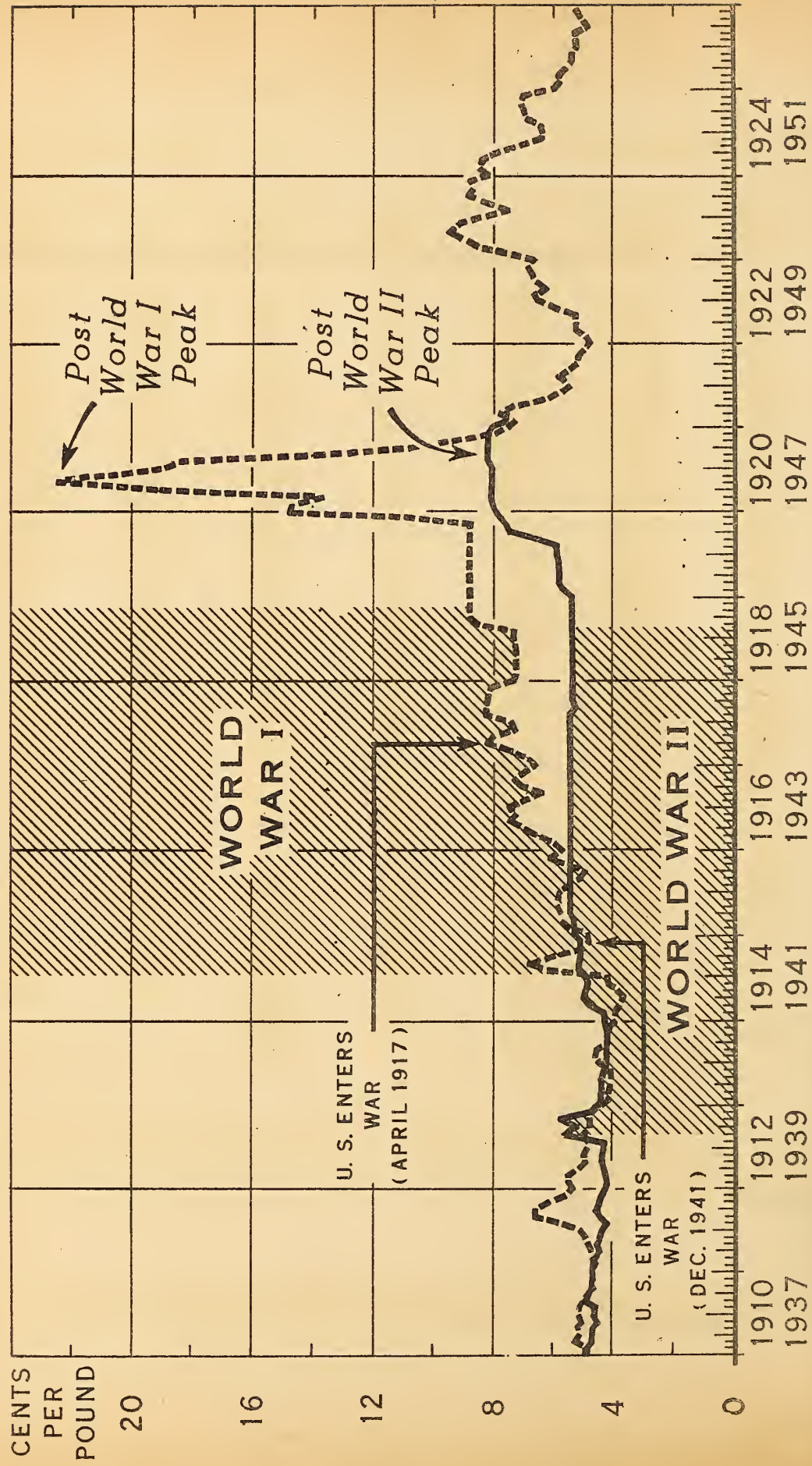
1860-1895 "Palmer's Sugar Manual 'Concerning Sugar'"; 1896-1899 Agriculture Yearbook 1924; 1900-1947 Lamborn Sugar Market Review

x Includes processing tax.

* Preliminary

FIGURE III REFINED SUGAR PRICES IN THE TWO WORLD WARS AND POST WAR PERIODS

(Monthly Average Wholesale Price, New York, Net Cash including Tax)



U. S. DEPARTMENT OF AGRICULTURE

NEG. 16805

PRODUCTION AND MARKETING ADMINISTRATION

Refined sugar prices in the United States were held at much lower levels during World War II than during World War I, and the postwar inflationary period that occurred in 1920 was avoided after World War II.

SUGAR PRICES DURING TWO WARS

Sugar prices were held at much lower levels during World War II than during World War I, and inflationary prices which followed premature decontrol after World War I were avoided after World War II. (See Figure III.)

As a result of price controls, rationing, supply programs, and Government subsidies, prices of refined sugar in the United States were stabilized at low levels throughout the war and postwar periods. In fact, through 1945 sugar prices barely exceeded those reached during the depression of 1921. During 1946 sugar prices rose as subsidies were eliminated and it became necessary to increase prices to sugar producers in accordance with the increases that occurred in the cost of food and cost of living. The price of 8.40 cents per pound, which was the highest level reached after World War II, compares with the price of over 22 cents per pound that occurred during the inflationary period of 1920.

Although inflationary sugar prices were avoided after World War II, the world sugar shortage was much more acute than it was after World War I. In comparing the effects of the two wars on sugar production, the second world war did far greater damage to production in Europe and practically stopped production in the Philippine Islands, Java, and Formosa, the great export sugar-producing areas of the Pacific. Moreover, the European drought in 1946 delayed recovery of European production and increased the shortage of all foods.

WAGE DISTRICTS FOR 1948 CROP OF SUGAR BEETS

Growers of sugar beets are required to pay in full all persons employed in the production, cultivation or harvesting of sugar beets. These payments to employees are required before payments may be made to growers under the Sugar Act of 1942. Rates of payment must be not less than those determined to be fair and reasonable by the Secretary of Agriculture. The Secretary of Agriculture issues "wage determinations" which specify fair and reasonable rates for each crop of sugar beets in specific areas. Wage rates are set for specific wage districts in "Wage Determinations" published by the Department.

Two wage determinations have been issued for the 1948 crop of sugar beets. The first issued January 16, 1948, covered two districts in California as listed below. The second was issued on March 15, 1948, covering the six wage districts in States other than California.

Generally in establishing wage districts, similarity of agricultural practices, man-hour requirements and other related factors in a geographical area are considered. The wage rates applicable to a farm, or part of the farm covered by a separate labor agreement, are those for the wage district in which the farm is located. Wage districts established for the 1948 crop of sugar beets are as follows:

<u>Wage District</u>	<u>Area</u>
California (other than Imperial Valley)	California
Imperial Valley	California
I	Michigan, Ohio, Indiana, Illinois, Wisconsin
II	Minnesota, Iowa, eastern North Dakota
III	Nebraska, Colorado, Kansas, So. Dakota, S.E. and E. Wyoming, E.-Central Utah, New Mexico, Texas
IV	Montana, Northern Wyoming, Western No. Dakota
V	Southern and E. Idaho, Utah (except E.-Central), northern Nevada
VI	Western Idaho, Oregon, Washington

FIGURE IV

SUGAR BEET WAGE DISTRICTS FOR 1948 CROP (Factory Locations Shown to Indicate Beet Production Areas)

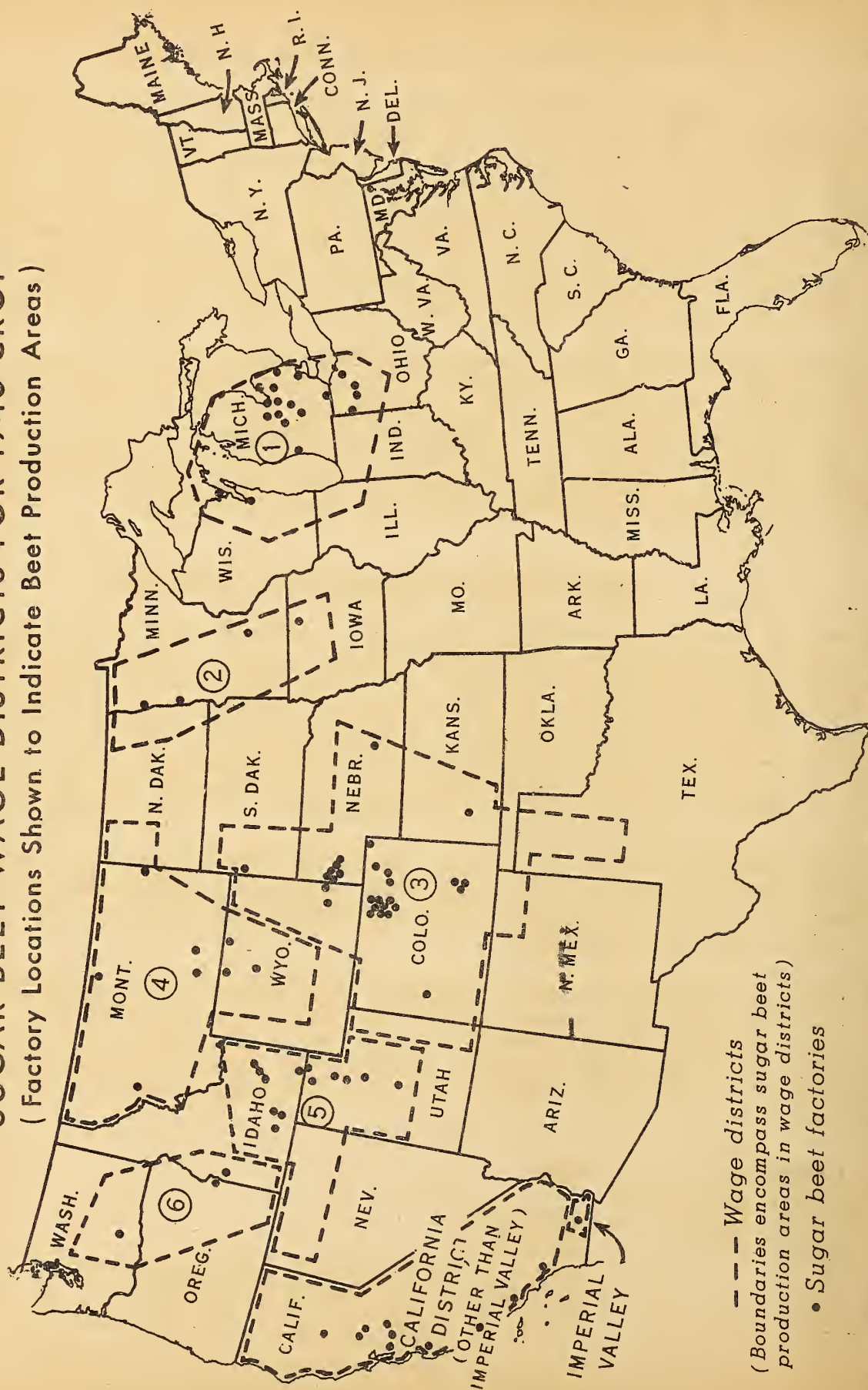


Table 8

Refined Sugar Prices in the Two World Wars
and

Post-War Periods

(Monthly Average Wholesale Price Per Pound New York, Net Cash)

January 1910

April 1948

	1910	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922
Jan.	4.90	4.70	5.40	4.54	3.92	4.87	5.74	6.62	7.40	8.82	14.82	7.56	4.80
Feb.	4.90	4.60	5.50	4.19	3.92	5.43	5.99	6.86	7.30	8.82	14.70	7.33	4.93
Mar.	5.20	4.70	5.50	4.19	3.84	5.73	6.59	7.41	7.30	8.82	13.72	7.85	5.20
Apr.	5.10	4.70	5.10	4.11	3.72	5.78	7.02	8.11	7.30	8.82	19.20**	7.31	5.21
May	5.20	4.80	4.90	4.10	3.90	5.87	7.46	8.00	7.30	8.82	22.50**	6.32	5.28
June	5.00	4.90	5.00	4.13	4.16	5.87	7.33	7.37	7.31	8.82	21.20**	5.71	5.87
July	5.10	5.10	4.90	4.45	4.21	5.86	7.50	7.49	7.35	8.82	19.10**	5.49	6.52
Aug.	5.10	5.70	4.90	4.59	6.13	5.51	6.98	8.20	7.35	8.82	18.35	5.83	6.71
Sep.	5.00	6.60	5.00	4.54	6.80	5.13	6.39	8.23	8.51*	8.82	14.26	5.54	6.24
Oct.	4.80	6.60	4.80	4.20	5.97	4.96	7.09	8.18	8.82	8.82	11.05	5.21	6.60
Nov.	4.60	6.10	4.80	4.21	4.99	5.68	7.35	8.18	8.82	8.82	9.56	5.17	6.80
Dec.	4.70	5.60	4.80	4.12	4.84	6.15	6.99	8.04	8.82	10.92	8.11	5.01	6.94
Avg.	5.00	5.30	5.10	4.28	4.68	5.56	6.86	7.66	7.83	9.00	15.55	6.19	5.93
	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935
Jan.	6.64	8.22	6.04	5.11	6.15	5.68	5.00	4.87	4.58	4.08	3.86	4.21	4.22
Feb.	7.44	8.50	5.83	5.15	5.92	5.54	4.89	4.85	4.46	4.07	3.82	4.34	4.22
Mar.	8.57	8.42	5.87	4.96	5.80	5.64	4.79	4.87	4.32	3.98	4.01	4.41	4.30
Apr.	9.10	7.89	5.64	5.21	5.79	5.82	4.80	4.78	4.39	3.81	4.21	4.32	4.88
May	9.45	7.11	5.46	5.43	5.91	5.85	4.86	4.74	4.29	3.63	4.41	4.10	5.14
June	9.24	6.43	5.41	5.44	5.98	5.89	4.86	4.48	4.38	3.73	4.49	4.58	5.14
July	8.47	6.42	5.24	5.56	5.91	5.65	5.15	4.61	4.58	3.94	4.57	4.66	5.06
Aug.	7.51	6.48	5.27	5.53	5.57	5.48	5.39	4.37	4.62	4.09	4.61	4.66	5.00
Sep.	8.20	7.00	5.33	5.61	5.72	5.41	5.30	4.34	4.46	4.17	4.57	4.66	5.06
Oct.	8.90	7.06	4.94	5.72	5.68	5.12	5.37	4.41	4.49	4.12	4.51	4.56	5.20
Nov.	8.68	7.13	5.10	5.74	5.57	5.06	5.04	4.61	4.42	4.15	4.43	4.44	5.16
Dec.	8.81	7.10	5.25	6.10	5.52	5.15	4.94	4.57	4.18	4.07	4.30	4.28	4.88
Avg.	8.41	7.31	5.45	5.46	5.79	5.52	5.03	4.62	4.43	3.99	4.32	4.44	4.86
	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948
Jan.	4.61	4.89	4.66	4.24	4.44	4.32	5.30	5.49	5.49	5.39	5.39	7.93	8.04
Feb.	4.56	4.90	4.66	4.22	4.42	4.36	5.34	5.49	5.49	5.39	5.71	8.04	7.66
Mar.	4.65	4.70	4.56	4.30	4.42	4.78	5.34	5.49	5.49	5.39	5.88	8.08	7.60
Apr.	4.90	4.70	4.48	4.34	4.42	5.00	5.48	5.49	5.49	5.39	5.88	8.08	7.60 a
May	4.90	4.67	4.56	4.42	4.42	4.94	5.48	5.49	5.49	5.39	5.88	8.08	
June	4.90	4.55	4.42	4.42	4.38	4.90	5.48	5.49	5.49	5.39	5.90	8.08	
July	4.73	4.61	4.34	4.34	4.26	4.94	5.48	5.49	5.49	5.39	5.98	8.08	
Aug.	4.63	4.61	4.22	4.32	4.26	5.20	5.48	5.49	5.49	5.39	5.98	8.20	
Sep.	4.61	5.00	4.46	5.62	4.26	5.18	5.48	5.49	5.39	5.39	6.62	8.23	
Oct.	4.49	4.80	4.54	5.26	4.26	5.14	5.48	5.49	5.39	5.39	7.45	8.23	
Nov.	4.62	4.68	4.46	5.80	4.26	5.14	5.48	5.49	5.39	5.39	7.59	8.23	
Dec.	4.70	4.66	4.40	4.60	4.28	5.14	5.48	5.49	5.39	5.39	7.84	8.23	
Avg.	4.69	4.73	4.48	4.66	4.34	4.92	5.44	5.49	5.46	5.39	6.34	8.12	

SOURCES: 1910-12 Division of Statistical Historical & Research, BAE; 1913-41 Compiled on basis Lamborn Sugar Market Report; 1942-Oct. 1947 Calculated from ceiling prices; Nov. 1947-April 1948 Sugar Branch, PMA.

* 9/9/18-12/30/19 Price stabilized at 9¢ (8.82¢ net cash) by U.S. Food Administration.
 ** No quotations. Prices computed by Bureau of Labor Statistics by applying manufacturing differential to prices of raw sugar.

Processing tax of .535¢ per pound included in prices shown June 1934-Dec. 1935.
 Excise tax .535¢ per pound included in prices shown Sept. 1937-April 1948.

a Preliminary

